

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

SB 1807 - HB 1724

March 9, 2014

SUMMARY OF BILL: Reduces, from 60 months to 36 months, the total amount of assistance a family may receive in the Temporary Assistance for Needy Families (TANF) program, unless the family is granted an exemption to the limitation.

ESTIMATED FISCAL IMPACT:

On February 23, 2014, a fiscal note was issued estimating a fiscal impact as follows:

Increase State Expenditures - \$134,900/One-Time

Due to an incorrect assumption, this impact was in error. Based on information received from the Department of Human Services regarding other legislation, the estimated fiscal impact is:

(CORRECTED)

Increase State Expenditures - \$95,700/One-Time

Assumptions:

- According to the Department of Human Services, there will be necessary programming and systems changes to the ACCENT program to make a recipient non-eligible at 36 months.
- The ACCENT program will also have to be reprogrammed to track time limits for two groups of enrollees: those individuals deemed eligible prior to July 1, 2014 who will have 60 total months of assistance and those who apply after July 1, 2014 and will have 36 months of assistance.
- The department estimates the following programming hours will be necessary: develop system requirements (250 hours); analyst support for subsequent phases (100 hours); reporting (50 hours); database expansion (20 hours); conversion of limitation (150 hours); changes to online functionality (240 hours); changes to batch reporting (150 hours); new batch reporting (100 hours); changes to the 45, 50, and 55 day notices (60 hours); new notices (120 hours); and user acceptance test (500 hours).

SB 1807 - HB 1724 (CORRECTED)

- According to DHS and the Office for Information Resources (OIR), current DHS programmers and analysts currently complete all application changes, corrections, and enhancements. According to DHS, current staff is at capacity workload.
- It is assumed that with the extent of computer systems changes and to meet the July 1, 2014 start date; the department will have to utilize contracted vendors to make the necessary changes to meet the requirements of the legislation.
- According to OIR, per hour rates range anywhere from \$55 to \$100. It is estimated that the rate will be at least \$55 per hour resulting in an increase in one-time expenditures that exceeds \$95,700 [$\$55 \times (250 + 100 + 50 + 20 + 150 + 240 + 150 + 100 + 60 + 120 + 500)$].
- The provisions of the bill will result in a reduction in TANF assistance granted to applicants. Any TANF funds not utilized due to the reduction of assistance will be re-invested in the TANF program to provide other services; therefore, it is estimated that the net impact in TANF fund expenditures is not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/kml